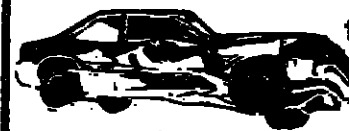


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## THE JERUSALEM POST

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Drive Carefully

better to be late  
than the late

Alignment leader and prime minister-designate Shimon Peres and Yahad Party head Ezer Weizman yesterday sign an accord linking their parties, as Alignment MK Rafel Edri looks on.

## Peres, Weizman urge unity

Labour leader Shimon Peres and Yahad leader Ezer Weizman, now formally allied, both declared last night that they were not contemplating, at this stage, a minority government supported by the Communists.

Both stressed their determination to press for a unity government. If those efforts failed, they would seek to set up a government of 61 seats with two religious parties. (Peres interview - page 2)

Only if that attempt failed, too, might they consider the minority option. Weizman said it would be in the context of a run-up towards early elections. Peres said, "We do not need to decide about that (the minority option) at this time."

The Labour-Likud unity talks are expected to wind up in Tel Aviv this evening, with bridging formulas having been hammered out on most of the divisive issues.

Peres and Premier Yitzhak Shamir are expected to meet in private tomorrow - when Peres will formally invite Shamir to join a unity government under his leadership. Peres promised last night "fair and honourable partnership" for the Likud.

Labour, at the same time is redoubling its efforts to woo the National Religious Party and Agudat Yisrael, but so far both these parties remain unresponsive.

## Likud continuing unity talks despite Weizman 'obstacle'

By DAVID LANDAU  
Post Diplomatic Correspondent  
Likud leaders resolved yesterday to press ahead with their unity talks with Labour. But many of them, including Prime Minister Yitzhak Shamir, contended that the prospects for a unity government had been struck a severe blow by Ezer Weizman's swing over to Labour.

The Likud let it be known last night that if there was any move by Labour towards setting up a minority government resting on Communist support, it would immediately break off the unity talks.

Shamir, in a bitter comment to Gali Zahal, the Israel Defence Forces radio, spoke of Weizman's "nocturnal exercise... which strengthens the influence of those in the Labour Alignment who oppose a unity government and prefer a narrow coalition."

Earlier, meeting alone with Weizman at his office, Shamir accused the former Likud defence minister (Weizman resigned in 1980) of placing an obstacle in the path of a unity

government. Weizman, for his part, argued that his move was designed to spur the two major parties towards a unity government.

He told reporters he had recommended to Shamir that he lead Likud into such a government under Shimon Peres. "I cannot say for certain that my remarks influenced him," he said.

A whole month, he said, had passed since the elections, but Labour and Likud, "for reasons I won't analyze," had failed so far to reach unity.

If unity continued to elude them despite his latest move, Weizman continued, he would back a Labour-led narrow government. If that, too, failed, he predicted elections - perhaps before the end of the year.

He said Yahad's alliance with Labour might be "the beginning of a process of changing the political complexion of Israel... a change in the composition and ideology of parties."

(Continued on Page 2, Col. 5)

## Yahad and Alignment sign bloc agreement

By ROY ISACOWITZ  
Jerusalem Post Reporter  
TEL AVIV. - The Alignment and Yahad yesterday signed what prime minister designate Shimon Peres described as an "historic" agreement, providing for wide-ranging cooperation between the two parties.

Entitled a "document of understanding," the agreement consists of two parts: one public, dealing with short-term cooperation between the two parties for the purposes of establishing a government as soon as possible and the other secret, detailing the positions and portfolios promised to Yahad.

According to the document, the two parties have formed a parliamentary bloc that will act for the speedy establishment of a new government. Both parties expressed their support for the establishment of a national unity government to help the "recovery of the economy, ensure the security of Israel, ensure security arrangements in Galilee that will enable the withdrawal of the Israel Defence Forces, and deal with Israel's complex social and political problems."

If a national unity government is not forthcoming, the two parties agreed to the establishment of a

narrow based government, in the hope that it will later be joined by other parties.

The secret addendum specifies that Yahad leader Ezer Weizman will serve as either foreign minister or finance minister in a narrow government. In a national unity government, he will be offered a "senior post."

In a narrow government, the second ranking Yahad Knesset member, Binyamin Ben-Eliezer, will serve as a deputy minister.

The addendum also provides for the possibility of Yahad's joining the Alignment as a faction in the event of new elections. In such an event, Yahad will receive three seats on the Alignment Knesset list before slot number 41. The first of the three will be in slot number five.

A separate announcement signed by the Alignment, Yahad and Yigael Hurvitz's Ometz Party provided for the participation of Ometz in either a narrow or national unity government on the same terms as Yahad. A senior Ometz source said last night that Hurvitz had been promised either the finance or the industry and trade portfolio in a narrow government led by the Alignment.

(Continued on Page 2, Col. 7)

## Little chance for new Orgad plan

By AVI TEMKIN  
Post Economic Reporter

The new economic plan that Finance Minister Yigal Cohen-Orgad intends to present to the government next week is probably doomed from the outset, and has little chance of being approved before any new government is formed, coalition and opposition members agreed yesterday.

Senior members of the Liberal Party, including Energy Minister Yitzhak Moda'i and Industry Minister Gideon Palti, have already informed Cohen-Orgad that under no circumstances will they agree to the imposition of a property tax, as proposed by the Treasury.

Additional opposition to the Treasury's plans is expected from Deputy Prime Minister David Levy. Levy's attitude was hinted at in his announcement during yesterday's talks between the Likud and Alignment economic teams that he plans to raise the Treasury's refusal to adjust the brackets at Sunday's cabinet meeting.

Cohen-Orgad has tried during the past three days to enlist the Alignment's support for his plans, but all he could get was a promise from the head of the Labour Party economic team, Knesset Member Gad Ya'acobi, that his party will deal with each one of the proposed steps "on its merits."

Alignment sources said yesterday that the party will probably oppose the proposed increase in the tax burden, including the planned increase in value added tax and the introduction of new taxes.

But the sources also indicated that the finance minister, the rest of the cabinet and the opposition are more or less in agreement on the issue of subsidies. So the Finance Ministry may go ahead with plans for large increases in controlled prices, even if the rest of the programme it has drafted is scrapped.

Cohen-Orgad is determined to present a plan for a budget cut totalling some \$800 million to the cabinet on Sunday. Most of the slashes - \$600 million - will fall on the welfare, housing, health and education budgets with only some \$200 million coming from the defence budget.

In addition to this proposed cut, the ministry has also prepared plans for large-scale cuts in subsidies and hikes in controlled prices, alongside the introduction of property taxes and an increase in VAT. The Treasury estimates that these measures could increase revenues by some \$1 billion.

The Jerusalem Post has learned that Cohen-Orgad will try to implement his plan in two stages. First, he will present the proposed cut in

(Continued on page 7)

## Big parties draw up economic plan

Post Economic Reporter

At the end of their fourth meeting in one week, the Likud and Alignment economic teams approved a document jointly drafted by Finance Minister Yigal Cohen-Orgad and MK Gad Ya'acobi on the economic objectives of a national unity government.

The document states that the government will strive to reduce the size of the public sector and will encourage production and exports. Government spending will be reduced

(Continued on page 7)

## Ethiopia pledges to ease Jewish emigration

Jerusalem Post Correspondent

LONDON. - Britain has received assurances from the Ethiopian government that no more obstacles will be placed on the emigration of Ethiopian Jews. The assurances were given to Foreign Office Minister of State Malcolm Rifkind during a recent visit to Ethiopia.

Rifkind raised the question of the Ethiopian Jews informally during a dinner in his honour given by the Ethiopian foreign minister. Two senior Ethiopian cabinet ministers admitted to him there had been problems in the past about Jewish emigration, but added that "this would no longer be a problem."

David Kessler, chairman of the Falasha Welfare Association, said he would now seek clarification from the authorities in Addis Ababa to see whether they would "be prepared to discuss with Jewish leaders the methods of implementing their promise."

## Likud: 'holding own'

By DAVID LANDAU  
Post Diplomatic Correspondent

The Likud claimed last night it was holding the line with the religious parties despite Ezer Weizman's swing over to Labour.

A source close to Prime Minister Yitzhak Shamir said that all the religious parties had contacted the premier yesterday to reassure him of their respective commitments to him: Morasha and Shas as firm allies, Agudat Yisrael as allies who would not be the first to break the alliance; and the National Religious Party as unwavering devotees of a national unity government.

This meant, the Likud source argued, that there are 58 Knesset members pledged not to join Shimon Peres in a narrow government, against 55 who have said they would do so.

Likud appears not to have succeeded, however, in a bid to form a

parliamentary bloc with some or all of the religious parties, to counter the Alignment-Yahad bloc.

Moreover, Likud's sanguine assessment of the religious parties' intentions was not entirely borne out by statements and signals from some of them. Agudat Yisrael's Shas, for instance, in a radio interview, noted pointedly that "we have never ruled out (a coalition with) Labour."

Shapira said that if the Likud acknowledged it could not form a (narrow) government under its leadership, "Aguda would have to consider whether to remain in opposition or join a Labour-led government."

Labour is looking particularly to Aguda to swing over to its side because Aguda, unlike the other religious parties, has no public com-

(Continued on Page 2, Col. 4)

## Alignment efforts focus on religious parties

By ROY ISACOWITZ  
Jerusalem Post Reporter

TEL AVIV. - The Alignment is now turning all its efforts towards ensuring the participation of the religious parties in an Alignment-led government, after yesterday's signing of the cooperation agreement with Ezer Weizman's Yahad Party.

Labour Party sources last night spoke of a domino theory, whereby the participation of Yahad would lead to the addition of one of the religious parties - and once one had joined, most of the others would follow suit.

While the Alignment will concentrate its efforts on the National Religious Party and Agudat Yisrael, "serious approaches" will also be made to Shas and MK Avraham Verdiger

(Morasha-Poalei Agudat Yisrael), the sources said.

A senior NRP source said last night that his party "could well lean" towards the Alignment, but needed more time before committing itself. The NRP, he said, wanted to see which way Agudat Yisrael went, and whether a national unity government could still be established.

Publicly, the Alignment is still committed to forming a national unity government. Alignment and Likud foreign-policy teams will hold another meeting today in an attempt to solve their two major points of disagreement - the future of existing settlements, and the peace process with Jordan. If agreement is reached on those two points, the way could

(Continued on Page 2, Col. 1)

## Ministry officials scared to 'fire' deputy-minister

By AVI TEMKIN  
Post Economic Reporter

Ben-Zion Rubin, Tami's second in command, is continuing to use all the facilities of his former post as deputy labour and social affairs minister, such as secretary, office and personal driver, at the taxpayer's expense, despite the fact that he is now legally an ordinary citizen, The Jerusalem Post has learned.

Rubin was second on Tami's list during the recent elections, but he failed to get elected. Legally this means that he is not entitled to continue as a deputy minister. Only ministers continue during a caretaker government whether or not they are re-elected.

Ministry officials have informally asked Attorney-General Yitzhak Zamir about the situation. According to some officials, the attorney-general's answer was clear: only ministers continue in their posts if they are not elected to the Knesset.

Deputy ministers cease to occupy the post, if they are no longer MKs.



Ben-Zion Rubin

Rubin was the only deputy minister who did not win a seat in the 11th Knesset.

Now the ministry officials have a problem. According to some, nobody has the nerve to inform Rubin that he must leave his office, secretary, and personal driver.

## Eban in Speaker's office: 'I'm taking over now'

Post Knesset Correspondent

Labour's Abba Eban took the bit between his teeth yesterday, walked into the Knesset Speaker's chambers, and announced: "I'm taking over now."

The Likud's Haim Corfu, deputy chairman of the Knesset Steering Committee and transport minister, discovered what Eban had done and walked in to protest against what he called the "invasion."

But Eban would have none of Corfu's protests. "I'm here by virtue of the ruling of Attorney-General Prof. Yitzhak Zamir and I'm taking up my duties as Interim Knesset Speaker," he told Corfu. "I haven't bargained into your office at the Transport Ministry. I've entered the office of the Interim Speaker, which is right here."

[Zamir ruled on Monday, in reply to a query from Interior Minister Yosef Burg and others, that a minister may not serve as speaker.]

Eban set a meeting for next Monday with Knesset Clerk Samuel Jacobson, to discuss the agenda for the plenary session that Eban has scheduled for Monday, September 3.

Eban did not say whether he intends to conduct the election of the permanent Speaker on that day.

Burg, who presided over the opening session of the

new Knesset as oldest MK (75) and was then disqualified from continuing by Zamir, telephoned to the Knesset when he heard about Eban's fait accompli and said he was "flabbergasted." Burg was asked what he would do and replied: "I'll think it over."

Health Minister Eliezer Shostak, 73, then phoned the Knesset and announced that he would preside over the next Knesset session, since he was next in age to Burg. (However, Zamir's ban on Burg as a minister would apply to Shostak as well.)

Justice Minister Moshe Nissim yesterday reprimanded his fellow Likud-Liberal MK, Yitzhak Segger, for alleging on Tuesday that Zamir was improperly interfering in the Knesset's business.

Segger was peeved by Zamir's opinion that Burg should not fill the Speaker's chair, even temporarily, and that Eban, in assuming the post, has full authority to call the Knesset into session.

In his statement, Nissim agreed with Zamir that the attorney-general had acted fully within accepted practice in offering his opinion when asked. The justice minister also found fault with Segger's personal, biting tone in criticizing Zamir. Segger had called Zamir a "low-level clerk" and accused him of "giving marks to Knesset members."

## Reagan speaks to Republicans tonight

DALLAS (AP). - Ronald Reagan and his vice-president, George Bush, were to be re-nominated last night for a second four-year term by delegates who heard him acclaimed on Tuesday as "a president who doesn't apologize for America."

Reagan's renomination was a foregone conclusion as he is unopposed by any other Republican, in contrast to the Democrats who chose Walter Mondale over Senator Gary Hart and Jesse Jackson at their convention a month ago in San Francisco.

The Republican incumbent also is not expected to encounter any opposition in his desire to retain Bush as his running-mate for the second term.

White House spokesman Larry Speakes said Reagan had no plans to appear at the convention hall before his acceptance speech tonight.

Republicans roared approval of

Reagan's conservative re-election platform on Tuesday at their clockwork national convention, hammering away at rival candidate Mondale as a Democrat whose "time has come and gone."

The delegates approved the platform without debate, but that did not quiet the protests of influential, but outnumbered, party moderates who criticized it as too conservative in both domestic and foreign policy and said it represented the extreme right rather than the whole Republican Party.

"I cannot in good conscience support the platform," said Elliott Richardson, a prominent moderate Republican who served as defence secretary and attorney-general in the Nixon administration. Richardson, running for the U.S. Senate from Massachusetts, called the platform "badly flawed" for failing to endorse a nuclear freeze and for ruling out

tax increases to reduce the federal deficits.

The "platforms" of the Republican and Democratic parties are about as different as two documents can be, reflecting an unusually clear choice for American voters concerned about issues in the November presidential election.

The Republican platform approved on Tuesday night, at the convention here and the one adopted last month by the Democrats in San Francisco are not binding on an administration, but each is taken seriously because it represents the creed of the individual party.

On the foreign-policy front, both parties disagree on just about everything except Israel's right to exist.

On arms control, the Republicans support President Reagan's military buildup, backs his "Star Wars" program.

(Continued on Page 4)

## Abuhatzzeira could tip balance for an Alignment government

By JOSHUA BRILLIANT  
Jerusalem Post Reporter

TEL AVIV. - The parties likely to support a narrow Alignment-led government are still short of one vote to win a plurality in the Knesset and MK Aharon Abuhatzzeira's Tami, which has been considered a potential partner, is still wavering.

Senior Tami sources told The Jerusalem Post its members are about evenly split on whether to support a coalition that would require the votes of the Communist-dominated Democratic Front for

Peace and Equality (DFPE) and the (Arab-Jewish) Progressive List for Peace (PLP).

The matter is to be discussed at a meeting of Tami's secretariat here this afternoon, but party leader Abuhatzzeira told The Post he does not anticipate a decision today. "The party must hold a thorough debate and we won't be rushed," he insisted.

Abuhatzzeira said he had been surprised "to a certain extent" by Yahad's agreement with the Alignment.

(Continued on page 7)

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INFORMATION

It's no secret... there are only a few hours left to place your classified advertisement for tomorrow's Halaah Hehadash. Just take your ad to any advertising agency, or to an office of Ma'ariv or Ha'aretz and it will run in Hebrew in those papers. Hand it in early enough to make sure it reaches the office of Halaah Hehadash before 4 p.m. and your ad will also appear in English in The Jerusalem Post. Beat that deadline!

## Jo'burg police, 'coloureds' clash

CAPE TOWN (AP). - Policemen fired rubber bullets and teargas yesterday afternoon to scatter a crowd of some 500 students urging people of mixed race to boycott elections for a segregated chamber of the all-white parliament, the Star newspaper reported.

It said there were no reports of casualties or arrests in the incident near a polling station in the "coloured," or mixed-race community of Eldorado Park outside Johannesburg.

The government-run South African Broadcasting Corporation earlier reported that police arrested more than 100 people who urged a boycott of the election.

By mid-afternoon, voter turnout appeared low and some boycotters claimed victory. Coloured education came to a virtual standstill, with less than a fifth of the country's 780,000 mixed-race pupils attending classes, the Coloured Education Department said. (See also Page 4)

In response to popular demand, we are  
continuing to featureDelicacies from South Africa  
until the end of the month.Sincerely  
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## The weather at major Swissair destinations

	MIN.	MAX.	
AMSTERDAM	19	24	Clear
BIRMINGHAM	15	20	Clear
BUSINESS AIRS	7	19	Clear
CHICAGO	14	21	Clear
COPENHAGEN	14	21	Clear
FRANKFURT	15	22	Clear
GENEVA	13	20	Clear
HELSINKI	14	21	Clear
HONG KONG	28	30	Clear
JERUSALEM	19	27	Clear
LEIPZIG	17	23	Cloudy
LONDON	18	24	Clear
MADRID	16	23	Clear
MONTREAL	13	20	Cloudy
NEW YORK	15	22	Clear
PARIS	15	22	Clear
SAO PAULO	12	20	Clear
STOCKHOLM	12	20	Clear
TOKYO	26	31	Cloudy
TORONTO	15	24	Clear
VIENNA	11	22	Clear
ZURICH	11	22	Clear

\*For the latest weather conditions contact Swissair.

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## THE WEATHER

Forecast: Clear to partly cloudy, temperatures still unseasonably low.

	Yesterday's	Today's
Humidity	41	27
Jerusalem	41	27
Golan	30	25
Nahariya	30	25
Safed	30	25
Haifa Port	30	25
Tiberias	30	25
Nazareth	30	25
Alula	30	25
Shimon	30	25
Tel Aviv	30	25
B-G Airport	30	25
Jericho	30	25
Gaza	30	25
Beersheba	30	25
Eilat	30	25

## SOCIAL & PERSONAL

Moshe Topol will report on his recent trip to Poland to members of the Rotary Club at the Tel Aviv Hilton at 1.15 p.m. today.

## DEPARTURES

Minister without Portfolio Sara Doron, to Johannesburg, on a lecture tour for the South African Zionist Federation.

## Former economic adviser

Boris Stern dies in U.S.

**Jerusalem Post Correspondent**  
WASHINGTON. — Dr. Boris Stern, Russian-born American Jewish labour economist and productivity expert, who spent 18 years working in Israel as a UN technical official and as a consultant to Israeli officials, died August 19 in a nursing home in Madison, Wisconsin. He was 91 and was suffering from Parkinson's Disease.

Stern first came to Israel as a guest of the Histadrut in 1949, when he was working in Greece for the Economic Cooperation Administration. He returned to Israel, remaining, except for occasional short periods, until 1970. He and his wife lived in Jerusalem, Tel Aviv and Haifa. His last major project in Israel was a book published in 1965 on the kibbutz movement, *The Kibbutz That Was*.

Among his early projects was the reorganization of Haifa port. In later years, he worked closely with Prime Minister Ben-Gurion and later with Jerusalem Mayor Kollek. He was awarded a "Scroll of Honour."

He is survived by his wife of 64 years, the former Malka Razovsky, two daughters and four grandchildren.

## Rabbi Elhanan Samuel, 53

**ALON SHVUT (Itim).** — Rabbi Elhanan Samuel, one of the leaders of the Etzion Bloc and one of the first settlers of Alon Shvut, died yesterday after a long illness at the age of 53. He is survived by a wife and 10 children. The funeral will take place tonight at 9:30 in the Kfar Etzion cemetery.

## Olympic gold winner sets new world record

**ZURICH (AP).** — America's Los Angeles Olympic gold medalist Evelyn Ashford set a new world record for the women's 100 metres at the Weltklasse meeting here yesterday with a time of 10.76 seconds, beating her own previous record of 10.79, set last year.

Ashford, who won the Los Angeles final in 10.97 seconds, set the new world mark after a neck-and-neck duel with East German star Marlies Gehr, who finished runner-up in 10.84 seconds.

(Continued from Page One)

be clear for a private meeting between Prime Minister Yitzhak Shamir and prime minister-designate Shimon Peres tomorrow or early next week.

However, Labour sources last night doubted that the Likud would allow all the ideological differences to be settled before Peres approaches President Chaim Herzog on Sunday for a second 21-day coalition-building period. Agreement on those issues would leave the question of premiership as the only obstacle to the national unity initiative, which is not to the Likud's advantage, the sources reasoned.

Alignment officials are practically unanimous in their rejection of the notion of rotation of the premiership, which Shamir is expected

# HOME AND WORLD NEWS

Histadrut may restrain action if Finance Committee helps

## Kessar to appear at Knesset body

**By ROY ISACOWITZ**  
**Jerusalem Post Reporter**  
TEL AVIV. — Histadrut Secretary-General Knesset Member Yisrael Kessar will appear before the Knesset Finance Committee today in an attempt to resolve the dispute between the Histadrut and the committee over the non-revision of tax brackets.

Committee sources said yesterday that the committee, under acting chairman Agudat Yisrael MK Avraham Shapira, had taken the initiative in attempting to solve the conflict. Kessar responded positively to the committee's request that he appear to present the Histadrut's case.

The sources added that if Kessar convinces the committee that Finance Minister Yigal Cohen-Orad's refusal to revise the brackets, the welfare-points and child-allocation systems is contrary to a verbal agreement between the Treasury and the Histadrut, the committee will try to persuade Cohen-Orad to alter his decision.

The week-long confrontation has aroused widespread labour unrest. The Histadrut's "action committee," sitting yesterday with the secretaries of the national trade unions and workers' representatives, decided to authorize the unions to declare labour disputes starting immediately. The unions are expected to wait until Friday, which is the deadline Kessar has given Cohen-Orad.

The committee also decided to hold coordinated "explanatory meetings" at work places throughout the country next week. If Cohen-Orad has not changed his mind by the time the Histadrut executive meets to approve the committee's recommendations on Sunday. The meetings, which are expected to last an hour or two, and during which the consequences of non-revision will be explained to the workers, will affect most of the country's workplaces.

The committee accepted a proposal by Trade Union Department chairman Haim Haberfeld that

efforts be made not to harm vital public services during the work stoppage. The aim of the stoppage is not to hurt the public but to express the workers' opposition to the government's unilateral action.

The committee also decided that labour councils around the country will hold emergency meetings. Histadrut sources said last night that the labour federation is watching the activity of the Knesset Finance Committee closely. If the committee shows a willingness to confront the finance minister, the industrial action planned for next week could well be postponed or cancelled, they said.

The central committee of the Pensioners Federation yesterday edged the finance minister's refusal to bring the tax brackets, welfare points and child allowances into line with the inflation. Kessar told the committee that the refusal will push some 20,000 pensioners from the 20 per cent to the 30 per cent tax bracket.

## Rabin: No pullback time-table for Lebanon being discussed

**Post Knesset Correspondent**  
Labour's Yitzhak Rabin said yesterday that in the Alignment-Likud discussions over Lebanon policy, the question of a timetable for withdrawal from South Lebanon was not being aired.

Rabin said this in the meeting of the Knesset Foreign Affairs and Defence Committee (one of the two interim Knesset bodies already formed at the opening session of the new Knesset). Rabin was trying to set the record straight for Labour dove Yosef Sarid and Mapam's Victor Shechtov, who queried Defence Minister Moshe Arens's statement in the committee that no timetable for an Israel Defence Forces withdrawal had been drawn up or was under discussion.

Arens said it would be the simplest thing for the IDF to quit Lebanon within 24 hours, but the problem was to reach an arrangement and create

facts that would eliminate terrorist attacks on northern Galilee.

IDF Intelligence chief Aluf Ehud Barak, who also gave a review of developments in Lebanon, said that some 2,000 PLO men had infiltrated quietly into Beirut in the past year and were steadily digging in there, while maintaining a low profile.

Arens, who also reviewed the growing strength of the Arab armies in the region, said that Jordan's army, although "medium in size," had the best-equipped and best-trained land forces of all the Arab states. No Arab army had better tanks than Jordan, Arens said.

Arens said that he had been misled by the press concerning his alleged attack on the news media, when he spoke at the National Defence College graduation ceremony last week. He denied that he had said that the IDF in Lebanon was "facing a second front," meaning the media.

## Karameh plans UN complaint against Israel

## 100 Tripoli civilians killed in third day of militia fighting

**BEIRUT (AP).** — Prime Minister Rashid Karameh said yesterday that Lebanon would lodge a complaint with the UN Security Council against Israel, relying on "international conventions that prevent the repetition of what Nazism did to the Jews."

As he made the announcement in Beirut, rival Muslim militiamen at his north Lebanese hometown of Tripoli renewed their artillery battles for a third straight day. Latest police tallies put the casualty toll at 100 killed and 300 wounded, most of them civilians.

Karameh spoke after a 2½-hour meeting held by his national coalition cabinet under President Amin Jemayel. The premier left it unclear whether Lebanon would seek a council debate on Israel's occupation of South Lebanon, however.

Referring to the complaint, the Syrian-backed premier laid emphasis on the fourth Geneva Convention that "prohibits the repetition of what Nazism did to the Jews" and said both Israel and Lebanon have ratified this 1949 treaty. "The irony of it is that we are suffering torture and the ugliest of occupations at the hands of those who were meant to be

shielded by these conventions," Karameh added.

But Uri Lubrani, Israel's coordinator of activities in Lebanon, said yesterday in a Kol Yisrael radio interview that Karameh's statement was part of the trumped-up charges which we believe are being prepared for a United Nations Security Council session concerning Lebanon. It has nothing to do with the facts.

The new hostilities in Tripoli shattered a 19-hour cease-fire between the Syrian-equipped "Arabian Knights" militia of the Arab Democratic Party and the fundamentalist "Islamic Unification" movement.

The police said artillery shells, mortars and rockets rained on almost all residential neighbourhoods in the port city of 500,000 inhabitants. Lebanon's second largest, which is 80 kilometres north of Beirut.

Fresh appeals for blood donations of all types were blared by loudspeaker vans. Hospitals already filled with casualties from the previous two days of fighting were ordered to brace for a new influx of victims.

Karameh said he is undertaking fresh efforts to "bring this lamentable situation to an end soon."

## TA water cuts headed off; Mekorot, city officials to talk

**By MICHAEL YUDELMAN**  
**Jerusalem Post Reporter**

TEL AVIV. — The Mekorot water company yesterday decided not to reduce Tel Aviv's water supply, after a meeting between Mekorot and city representatives was arranged for today. Earlier, Mekorot had issued a statement saying that the company had cut down on water supplies yesterday afternoon.

At today's meeting, city officials and Mekorot representatives will try to find an arrangement enabling the city to pay the water company a \$1200 million debt, municipal spokesman Roni Rimon said yesterday.

Earlier yesterday, Mekorot spokesman Mordchai Ya'acoby said he had been told by the municipal treasurer: "We have no money to pay you. As far as we're concerned,

you can shut the water off."

The spokesman added that Mekorot cannot supply water without being paid for it.

Meanwhile, Rosh Ha'ayin Local Council Chairman Yigal Yosef said yesterday that no water is reaching more than half the town's residents.

Yosef said Mekorot had reduced water supplies to Rosh Ha'ayin because of an \$18 million debt, but because of a poor infrastructure water is not reaching houses at higher altitudes at all.

Yosef said the council owes \$100 million to income tax authorities, \$120 million to the National Insurance Institute, \$120 million to contractors and suppliers and \$18 million to the Electric Corporation.

"Within a few days they'll turn out the lights in the council hall and the streets," Yosef said.

## ALIGNMENT EFFORTS

to raise when he meets Peres. Peres himself expressed grave doubts about rotation in a television interview last night.

In fact, the Labour sources said, the Alignment's main effort would now be focused on the establishment of a narrow government — preferably one of 61 seats, with the participation of the NRP, Agudat Yisrael and Tami's Aharon Abuhazzeira.

Alignment's MK Uzi Baram said yesterday that he saw the establishment of a narrow government as the most "serious option," in that it could open the door to a national unity government at a later stage.

As a last resort, the Alignment is prepared to consider the establishment of a minority government of 55 seats, resting on the support of the

Democratic Front for Peace and Equality and the Progressive List for Peace. Informal contacts — at "back-bench MK level," according to one source — have been held with these two parties, but no move has so far been made to invite them to official talks — as they have demanded.

The Mapam leadership yesterday welcomed the agreement with Yahad "in accordance with Mapam's positions on the composition and policies" of the next government. However, Mapam expressed disappointment that its representatives, who participated in the early contacts with Weizman, were not invited to participate in the crucial sessions on Tuesday.

Mapam Knesset faction chairman MK Eliazar Granot, said last night

that his party welcomed the agreement because it effectively prevented the Likud from being able to establish a government, and gives momentum to the establishment of a narrow government under Peres.

However, other Mapam sources expressed disquiet over the agreement, and said that Mapam will relate to it according to its results. They pointed out that it could well lead to the establishment of a national unity government, to which Mapam is opposed.

The sources expressed satisfaction that the agreement frees Mapam from potential responsibility for returning the Likud to power, should Mapam decide to split the Alignment over the national unity issue. The Labour party plus Yahad and Yigael Hurvitz would still be the largest faction in the Knesset.

Labour believes that if Aguda were to show signs of swinging over, that would influence the NRP to come across, too.

The situation in the two-seat Aguda is complicated, however, by the Hassidic-Lithuanian rift within the party, and by the powerful influence of Rabbi Eliezer Schach of Bnei Brak over MK Menahem Porush.

Behind Schach, according to some informed sources, stands the shadowy but still-potent presence of former MK Shlomo Lomzin, who for reasons that are unclear, is felt to be firmly supporting the Likud.

The NRP executive is to convene today to discuss the new political situation following Weizman's move. In the NRP, too, opinions are divided — so much so that Education Minister Zevulun Hammer, when asked on television last night whether his continued insistence on a unity government was his party's policy, replied: "At any rate, it's my policy."

In Labour there seems to be a feeling of let-down over Hammer's refusal to come out in favour of Peres as premier of the proposed unity government. Hammer has been advocating "rotation" of the premiership between Peres and Shamir.

But there will be pressures on him from pro-Labour circles in his party to back Peres for the premiership now that Labour's position has been enhanced by the accession of Weizman and the support of Yigael Hurvitz's Ometz.

Labour's overtures to Shas — Sephardi Torah Observers (four seats) — met with unequivocal and public rebuff last night. Shas's senior MK, Rabbi Yitzhak Peretz, said on television: "Our reply is No — with three exclamation marks after it."

## Kach parley calls for expulsion of Arabs

**Jerusalem Post Reporter**

The first national convention of the Kach party last night called for expulsion of Arabs from Israel and Kach leader Rabbi Meir Kahane predicted that in six months there will be new elections in which Kach will win more than a half dozen seats.

The convention, at Jerusalem's Binyanei Ha'uma drew about 750 people.

Prominent in the mostly youthful crowd were Baruch Merzel, a resident of the new caravan neighbourhood recently established at Tel Rumeida in Hebron and Avigdor Eskin, leader of Israel's "New Right," which has close ties to U.S. Senator Jesse Helms.

Earlier in the day, a Kach demonstrator was arrested outside the Israel Broadcasting Authority offices in Romea when he held up a PLO flag in order to rip up the symbol.

Holding up the other end of the flag was Kahane, whose Knesset immunity prevented the police from arresting him, police sources said. The demonstrator will be charged with unlawfully displaying a PLO flag, they said.

## Rifaat Assad in Paris

**PARIS (Reuters).** — Syrian Vice-President Rifaat Assad has arrived in Paris for a private visit, but is not scheduled to meet any French government leader, an official French source said yesterday.

(Continued from Page One)

Not all Likud leaders share the assessment that Weizman's move reduces the prospects of a unity government. Liberal Party leader Yitzhak Moda'i argued last night that those prospects had not been harmed by Weizman and were indeed improving daily as the Likud and Labour working groups worked out bridging formulas on key policy issues.

The economic working group completed draft policy guidelines yesterday (see story, page 1) and the foreign-policy working group is to meet again today to wrap up the wording on terms for peace talks with Jordan.

The issue of new settlements, and that of the premiership, are to be taken up by Shamir and Peres when they meet alone, probably tomorrow — their second private session since the election.

Likud source said last night Shamir was anxious to meet with Peres and saw no purpose in delaying such a meeting — since the longer it was delayed the stronger Labour's pressures and blandishments towards the religious parties would grow.

Peres announced on television last night that he would this evening initiate the meeting — assuming the foreign-policy talks proceeded satisfactorily.

Likud sources and outside observers are divided in their predictions of Shamir's likely response when Peres invites him to join a unity government as deputy prime minister. Peres said last night he would offer the Likud "fair partnership" in terms of portfolios, but he flatly rejected any notion of rotating the premiership.

Some observers feel that Shamir himself would be inclined to lead his party into a unity government under these terms, but Deputy Premier David Levy and Minister without Portfolio Ariel Sharon might balk. Without Levy's support, Shamir is probably not strong enough politi-



Chief of Staff Rav-Ahuf Moshe Levy yesterday pins officer's insignia on new Segen-Mishne (Second Lieut.) Hadass Janco, the outstanding graduate of her course.

(AP)

## LIKUD

(Continued from Page One)

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## King Alaiehuwa: Israel visit private

**LAGOS (Reuters).** — The leader of the 14-million Yoruba tribe of western Nigeria has returned from a controversial trip to Israel saying the visit was "absolutely private."

The Nigerian news agency reported yesterday.

However, King Alaiehuwa oba okunze Jijuwado, a Christian, refused to comment on his meetings with President Chaim Herzog and other Israeli leaders.

The Emir of Kano, Alhaji ado abduh Bayero, a powerful spiritual and political figure of the Moslem north, took part in the trip, a fact that has particularly embarrassed the Nigerian military government.

Nigeria is reluctant to antagonize Arab fellow members of the Organization of Petroleum Exporting Countries, at a time it is seeking to increase its Opec production quota.

Although Nigeria broke relations with Israel after the 1973 Yom Kippur war, Israeli construction, agricultural and trading firms have been doing good business in Nigeria.

## LIKUD CONTINUING

cally to force his will upon his party.

Shamir was deliberately vague in his Gali Zahal interview yesterday. But he did remark, when asked about his premiership, that this needed to be discussed, "but I don't think we face any insurmountable obstacles."

Shamir said that Weizman's "exercise" underscored "the national need to form a unity government... based on the large and important political forces... so that premier-designate (in the future) will not have to have recourse to such antics."

The issue of new settlements, and that of the premiership, are to be taken up by Shamir and Peres when they meet alone, probably tomorrow — their second private session since the election.

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## YAHAD

(Continued from Page One)

Presenting the agreement at a short signing ceremony at Labour Party headquarters here yesterday evening, Peres said that the object of the agreement was to "hurry up" the establishment of a national unity government. Both parties, he said, were committed to the same ends — healing the economy, ending the war in Lebanon, strengthening the peace with Egypt and continuing the peace process.

Peres praised Weizman lavishly, both for his past contribution to the country and for his recent activity for establishment of a unity government, and expressed the hope that together the two parties could serve the nation "along a new path."

Weizman, in reply, said that he and Peres had "gone a long way together." He recalled that they had previously served in a government together — the national unity government of 1967-1970 — and expressed the hope that the previous government could serve as an example today.

The agreement was reached after an exhausting day of negotiations of Tuesday that continued until 2 a.m. yesterday morning. Members of both parties yesterday praised the efforts of Alignment MK Rafael Etki, who coordinated the contacts between the two.

Michael Yudelman adds:

At a stormy two-hour meeting of the Yahad secretariat yesterday afternoon, before the official signing of the agreement with the Alignment, Weizman briefed party leaders on his motives for taking such a critical step.

He admitted he had had "thoughts" of going with the Likud. But the Likud's behaviour towards him, and especially the threats against him if he failed to join the Likud, were among the main reasons for his decision to join the Alignment.

He noted that in his talks with Likud leaders Deputy Prime Minister David Levy did not address himself to the economic issues. Likud settlement policy, and especially the latest caravan settlement near Hebron, broke the camel's back, he said.

A few Yahad members complained that Weizman had decided to join the Alignment without consulting them or obtaining Yahad's approval. But Weizman's decision was finally unanimously ratified.

If a national unity government cannot be formed, Weizman said last night, he hopes to help the Alignment form a government of 61 coalition members without the Communist-dominated Democratic Front for Peace and Equality or the Arab-Jewish Progressive List for Peace. If this possibility cannot be realized, either, Weizman said he would consider a government supported by the DFE and the PLP, but only as a prelude to early elections this November.

Interviewed on Maabar yesterday, Weizman said that joining the Alignment did not make him a socialist. "In the Likud there are more Socialists than in the Alignment," he added citing Levy as one example. Asked whether he accepted the Alignment's policy on "territorial compromise," Weizman said he did not become a member of the Alignment or the Labour Party, but had merely formed a bloc that would have as much influence as possible.

Teh







## S. African 'coloureds' vote or boycott today

CAPE TOWN (AP). — South Africa's "coloured" minority voted for members of a new, separate chamber of parliament, a day after the police detained leaders of a coalition that called for an election boycott.

Boycott organizers said they expected only about 15 per cent of the 907,000 registered voters to cast ballots, and said that would discredit the new parliament. Leaders of the Labour Party, expected to win most or all of the 80 seats at stake, predicted a 40 per cent turnout.

The police on Tuesday arrested over 50 leaders of groups opposed to elections of mixed-race delegates to a segregated chamber of parliament, colleagues of the detainees said.

Tens of thousands of students at schools and universities across this white-minority-ruled nation boycotted classes yesterday to protest against the elections, South Africa's first for a non-white chamber of parliament.

In the western Cape Province, centre of the nation's coloured population of 2.7 million, voting appeared slow when booths opened at 1 a.m. yesterday. It was also slow in coloured townships around Johannesburg.

Both sides agreed the election in effect has become a referendum on the new constitution. The system creates separate houses of parliament for coloureds, as people of mixed race are called here, and the Asian minority, mainly descendants of Indian immigrants, while excluding blacks. Asians vote for their 40-member house next Wednesday.

The coloured and Asian chambers will sit separately and will be outnumbered by the existing chamber for the ruling white minority. Boycott supporters say the white veto power, plus the exclusion of the black majority, are reasons for rejecting the new system.

Labour Party candidate John Christians' home was damaged by two petrol bombs during the night which started a fire on an enclosed porch.

"I think this will make more people come out and vote for me," Christians said, adding that he blamed boycotters for the attack. Asked why people should vote, he replied, "The people believe it's a starting point to better themselves, instead of having nothing."

However, Trevor Manuel, a Western Cape secretary of the front, characterized the constitution as "an attempt by the white South African government to seek credibility and extend its life."

## Mondale hails Ferraro for passing 'leadership test'

NORTH OAKS, Minnesota. — Walter Mondale said on Tuesday night that Geraldine Ferraro has passed a "test of leadership" during the inquiry into her finances and that the Democratic Party ticket has been strengthened as a result.

Giving his vice-presidential running mate a vote of confidence, Mondale said Ferraro has demonstrated that "she deserves the public trust, she is candid and open and able and she's strong under pressure."

"It reaffirms the wisdom of my choice," the democratic presidential nominee said during a hastily convened news conference here.

Ferraro earlier Tuesday defended her family's honesty when she appeared in New York before more than 200 journalists to answer questions on the finances of herself and husband John Zaccaro.

For two hours she took command of the session, displaying the wit and coolness that had helped prompt Mondale to select her as his running mate.

## Pakistan: Afghan attacks killed 104 this year

ISLAMABAD (Reuters). — Pakistan, accusing Afghanistan of killing 104 people so far this year in cross-border air raids and artillery shelling, protested strongly to Kabul yesterday.

A government spokesman said 51 were killed and 33 injured in attacks since August 13, when he accused Kabul of stepping up border violations to put pressure on Islamabad before deadlocked peace talks reopen on Friday. Most casualties were Afghan refugees.

Afghan charge d'affaires Sharif Foad denied any knowledge of the attacks, which Pakistan had not responded to militarily.

Islamabad government spokesman said Pakistan was allowing land to Afghan political parties to help them to move their headquarters out of the Pakistani city of Peshawar by August 31. Pakistan does not consider the buildings used by about a dozen Afghan parties in Peshawar as headquarters of resistance movements.

Guerrilla commanders visiting their respective party headquarters in Peshawar regularly tell foreign journalists they come to pick up weapons, rest and talk strategy with their leaders.

Despite recent Afghan attacks, the spokesman said Pakistan will attend the UN sponsored talks in Geneva on the Afghan crisis. While refusing to negotiate directly with Kabul, Islamabad wants the talks, which began in 1982, to agree on a Soviet withdrawal from Afghanistan and/or the return of about 4.5 million refugees from Pakistan and Iran.

Kabul says the issue of Soviet troops is a bilateral one between it and Moscow.

In an interview published yesterday on the front pages of Pakistani newspapers, the UN diplomat conducting the indirect peace talks, Deigo Cordovez, said time was running out for a solution.

## Egyptians step up ship searches

CAIRO (AP). — Egyptian authorities, now more convinced than ever that Libya is responsible for mining the Gulf of Suez and the Red Sea, have tightened security measures in the Suez Canal and the gulf and are intensifying their searches of ships.

"We are concentrating on ships from Libya, which is the principle suspect," one Canal Authority source said. "And we are also concentrating on roll-on roll-off ships which are best geared for mining."

At least 18 ships have been damaged by mines in the Red Sea and the Gulf of Suez since July 9. None, however, have been sunk or holed.

The official, who declined to be named, said all three ships were carrying special anti-mine and anti-submarine warfare equipment. Two Soviet minesweepers passed through the canal for the Red Sea over the weekend.

On Tuesday, a high-ranking Egyptian military source cited by the state-run news agency said, the Soviet Union was undertaking mine clearance operations "in the southern part of the Red Sea." He gave no details, but it was believed the Soviets were working off the coast of Marxist-ruled South Yemen in an area where a number of explosions have occurred.

The same military source said Egypt was nearly certain the mines had been laid by the Libyan ship Ghat, a roll-on roll-off vessel.

The Ghat has since been impounded in a French Mediterranean port in a financial dispute with Libyans.

## REPUBLICAN

(Continued from Page One)

ramme for research into a defence system to shoot down incoming missiles and calls for an aggressive civilian space programme.

The Democrats want a nuclear weapons freeze and advocate savings in defence spending.

Their platform states a Democratic president will call an early summit with Soviet leaders and follow that up with regular annual sessions. It adds that a Democratic president would use military force only "when vital American interests are threatened," including those of U.S. allies.

Both parties pledge support for Israel and vow to stave off any threat to the region.

The Republicans "reaffirm that the U.S. should not recognize or negotiate with the PLO so long as the organization continues to promote terrorism and rejects Israel's right to exist."

The Democrats put some blame on the Reagan administration's "failure to maintain a high-level special negotiator for the Middle East, and believes that the Camp David peace process must be taken up again with urgency."

The Republican platform calls for self-determination for Hongkong, urging that it not be turned over to China when the present long-term British lease on the island colony expires in 1997.

The Democratic platform asserts that "our relationship with the People's Republic of China must be nurtured and strengthened." But there is no mention of Hongkong.

The Republican document supports Reagan's commitment of military aid to U.S. allies in Central America, while the Democrats oppose such aid and urge no more arms to anti-government forces in Nicaragua. The Democrats also want military assistance to the government of El Salvador scaled down.

On the domestic front, the Republicans "categorically reject proposals to increase taxes in a misguided effort to balance the budget" and "oppose any attempts to increase taxes, which would harm the recovery."

Democratic presidential nominee Walter Mondale has said a tax increase would be necessary to cut federal budget deficits totalling \$170 billion.

On the equal rights amendment for women, the parties also differ. The Democrats call for endorsement of the amendment but advocate no other change in the U.S. constitution. Republicans rejected several efforts for a pro-amendment plank, but included in their document "an historic commitment to progress for women."

Indonesia Navy officer gets 10 years for spying

JAKARTA (Reuters). — An Indonesian military court jailed a navy officer for 10 years yesterday for selling secret documents to the Soviet Union.

A military prosecutor had demanded 13 years in jail for Lt. Col. Johannes Batista Sudaryanto, found guilty of delivering 10 rolls of undeveloped film to a Soviet embassy official in a Jakarta restaurant two years ago.

Floods after drought, as storms hit Britain

TORQUAY, England (Reuters). — Storms closed roads and flooded homes, shops and offices yesterday in drought-hit south-west England — one day after official warnings of water rationing.

But Water Authority officials said the downpour was not enough in itself to lift the threat of water rationing.

Some parts of western Britain have had their lowest rainfall in almost a century.

Tamil leader softens demand for state in Sri Lanka

COLOMBO (AP). — A leader of Sri Lanka's beleaguered Tamil minority on Tuesday suggested a willingness to abandon a demand for a separate state in the northern part of the Indian Ocean island country.

Appapillai Amirthalingam, leader of the Tamil United Liberation Front, told a roundtable meeting of political, ethnic and religious leaders, that although Tulf's basic demand was for a separate state, it was willing to recommend a "viable alternative" to the Tamil people, who make up about 22 per cent of the population.

"We are not intransigent," he said. "If a viable alternative, meeting the aspirations of our people, is offered, we shall certainly place it before them."

He added that if no such alternative was forthcoming, "We shall have no option but to struggle by all non-violent means to liberate our people from this oppression."

Fighting between the Tamils and the army and security forces — made up almost exclusively by the Sinhalese majority — have claimed more than 300 deaths over the past 13 months.

The Tulf leader accused the armed forces of committing several atrocities against the Tamil people, suggesting that the withdrawal of the military from the northern districts may emerge as an important negotiating plank of the Tulf.

The meeting was convened by President Junius Jayewardene after several weeks of killings in the northern district of Jaffna.

Class struggle and gospel don't mix, pope tells bishops

VATICAN CITY (AP). — Pope John II yesterday expressed the Catholic church's solidarity with the poor, but he ruled out any support for them based on class distinctions and class struggle.

The pontiff's message, sent to an African bishops' conference, comes as the Vatican is fighting to ban priests from using notions of "class struggle" on behalf of the poor in the Third World.

Vatican officials say that some Roman Catholic priests, particularly in Latin America, have improperly adopted Marxist theories as they seek to use the Gospel in support of the poor. These Catholic movements on behalf of the poor are generally labelled "liberation theology."

"The solidarity of the Church with the poor, with the victims of unjust laws or unjust social and economic structures, goes without saying," according to the pontiff's message, written in English. "But the forms in which this solidarity is realized cannot be dictated by an analysis based on class distinctions and class struggle," he added.

"The Church's task is to call all men and women to conversion and reconciliation, without opposing groups, without being 'against' anyone," the message added. "In a special way the Church wishes to be close to the suffering and the oppressed."

The pope did not specifically mention "liberation theology" in the four-page message sent to the inter-regional conference of bishops of southern Africa near Harare, Zimbabwe.

Gandhi belittles Pakistan N-bomb

NEW DELHI (Reuters). — Prime Minister Indira Gandhi, in a surprise statement, dismissed Pakistan as a nuclear threat yesterday, saying it was not worth bothering whether it had a nuclear bomb.

The important issue was to concentrate on nuclear disarmament, she said.

Replying to a question in parliament on whether India would change its nuclear strategy because of a potential nuclear threat from neighbouring Pakistan, Gandhi said India would continue to use nuclear energy for peaceful purposes.

"The problem of Pakistan having a bomb does not make a great deal of difference," she said. "China has bombs, many countries have bombs and any of these bombs can destroy the world, but not Pakistan's. We do not know whether it is such a big one."

Gandhi's statement came after a spate of press reports, both in India and abroad, about Pakistan producing a nuclear weapon. Islamabad says its nuclear programme is for peaceful purposes only.

'Jane's': Russian units in Swedish waters

LONDON (AP). — "Elite Russian commando units operating from submarines or converted merchant ships continue to penetrate neutral Sweden's territorial waters in flagrant contravention of international law," according to the editor of *Jane's Fighting Ships*.

He also says in the latest issue that the Soviet Union is the only country that can justly claim to have an effective maritime policy, while western nations neglect their own.

Captain John Moore, *Jane's* editor, writes that Russian commandos operating along the Swedish coastline are "trained in the techniques of raiding, sabotage, reconnaissance and political murder."

Operations along the Swedish coastline by mysterious foreign craft have been of major concern to the

## Silence on Chernenko sparks rumours

MOSCOW (Reuters). — A long silence on the whereabouts and activities of Soviet President Konstantin Chernenko has caused puzzlement among ordinary Russians and speculation within the western diplomatic community here about his authority.

The Kremlin announced on July 15 that Chernenko, 72, had gone on holiday, but it gave no indication of where he was staying or for how long. Since then he has been mentioned relatively infrequently in the Soviet official media.

This contrasts with the practice of his predecessors, who maintained a high public profile while on vacation by meeting foreign leaders or issuing major policy statements.

The low-level of attention paid to the president also stands out because it follows a period of six months in which he headed television news bulletins almost every day as he led Kremlin ceremonies or delivered speeches.

## Troops pull back from Marcos palace

MANILA (AP). — Hundreds of battle-ready troops withdrew from President Ferdinand Marcos' palace, a day after hundreds of thousands of Filipinos marched through the capital to commemorate the first anniversary of Benigno Aquino's assassination.

Marines removed barbed wire barricades across Mendiola street, a main access road to the palace which had resembled a garrison the day before.

The government had said that the marches and rally at Manila's Rizal Park were going to be used by Communist guerrillas to ignite a civil war, but the protests, which had a fiesta atmosphere, were peaceful despite the participation of an estimated half a million people.

## Solidarity calls for anniversary rallies

WARSAW (AP). — Solidarity's underground leadership is urging Poles to demonstrate their support for the now-outlawed union on August 31, the fourth anniversary of its founding.

"On that day we will manifest our will to struggle for an independent and just Poland, our resistance in strengthening the Solidarity movement and our demonstration in defence of all political prisoners," said a statement from the Solidarity underground's temporary coordinating commission circulated to western correspondents yesterday.

The statement did not specify what form the demonstrations should take, and a Solidarity official said privately that the statement reflected the "low-key approach" of the opposition since hundreds of political prisoners were freed under last month's general amnesty.

"There is a kind of honeymoon now," said the official, who asked not to be identified by name.

Solidarity leader Lech Walesa called for moderation following the amnesty and said he plans to deliver a speech in the Baltic port of Gdansk on August 31.

## Ex-ministers to work on building sites

OUAGADOUGOU (Reuters). — Radical Bourkinafaso (formerly Upper Volta) leader Thomas Sankara has decreed that most members of the country's government, which was dissolved last Sunday, will work as foremen on building sites.

The 34-year-old paratroop captain, renowned for his pledges to transform the former French colony into a more egalitarian society, on Tuesday ordered 14 former ministers and secretaries of state to work on a national project to build 100 houses.

Four former government members — the minister of state at the presidency and the ministers for defence, sports and trade — have been spared the revolutionary experience of building houses under the searing West African sun.

Sankara dissolved the faction-ridden government by decree. He is expected to name a new government in the next few days.

## Sports

### Happy hunting

Post Sports Staff and Agencies.

MASON, Ohio. — Shlomo Glickstein of Israel administered a shog defeat to Henri Leconte of France, 1-6, 7-5, 6-3, in the first round of the \$375,000 ATP tennis tournament here. Leconte is ranked 21 and Glickstein 73. This followed Shahar Perkis' sensational win over Aaron Krickstein, ranked 9 in the world, so Mason is a happy-hunting-ground for the Israelis.

Even more sensational, perhaps, was the defeat of the world's No. 1 player, John McEnroe, by the Indian veteran, Vijay Amritraj, 6-7, 6-2, 6-3.

In Glickstein's match, the ninth-seeded Leconte raced through the first set in a tremendous serve-and-volley game. But Glickstein managed to change things completely in the second and third sets.

"I slowed down the match in the second set," Glickstein said. "He likes to work quickly and to keep things moving. By being patient, I took him out of his game."

Glickstein's passing shots began to hit the lines in the second set, and from then on he never looked back. Perkis was trailing Krickstein 1-4, 15-40 in the first set, when suddenly Perkis managed to fight back. He took the game, and went on to lead 6-5. Krickstein made it 6-4, but the Israeli won the tie-break 8-6. He ran away with the second set 6-1.

The win may gain him a place in the U.S. Open at Flushing Meadows next week, without his having to qualify.

Unseeded Vijay Amritraj administered McEnroe's second loss of the year. "It brought back memories of when I was 19 years old, playing Rod Laver in the U.S. Open in 1973," the 31-year-old Indian said. "After 11 years, there's still a little bit left. I thought I served tremendously, I also returned his serve well, which I rarely do. I think he was a little surprised."

McEnroe said, "You know you're going to play some hard matches. Mentally, I did not have the right attitude. The key thing is to learn. You should learn by your mistakes."

McEnroe's only other loss this year was to Ivan Lendl in the final of the French Open. He has won 59 matches.

In Montreal, unseeded American Alycia Monton ousted second seed Hana Mandlikova, 7-5, 6-2, 7-5 from a \$200,000 tournament.

## Stars to shine at Grand Prix

By PAUL KOHN

Post Sports Reporter

TEL AVIV. — Aaron Krickstein, the 17-year-old wonder boy of world tennis, in which he holds a world ranking of 9, will lead entries from 14 countries at the Ramat Hasharon Grand Prix tournament from September 10 to 15.

"The Carl Linder Israel Tennis Centre Classic has by far the best entry we have ever had," Dr. Ian Froman, chairman of the Israel Tennis Centres announced yesterday.

Other big names who have confirmed their participation are Roscoe Tanner, the 1979 Wimbledon finalist, who went down in five sets to Bjorn Borg; Harold Solomon of the U.S.; Balazs Taroczy of Hungary; and Guy Forget of France. The Israeli challenge will be led by Shlomo Glickstein, Shahar Perkis (who beat Krickstein in Cincinnati this week) and Amos Mansdorf.

Thirty-two players will enter the first round proper of the Grand Prix, including four qualifiers from the 32-strong field who will contest the qualifying rounds.

Krickstein won his first Grand Prix trophy in Ramat Hasharon and has since advanced in world rankings from 176 to 9.

The winner of the singles will receive \$15,000 and 75 ATP points, with the runner-up receiving \$7,500 and the semi-finalists \$3,000 each.

Midweek trials and the "Rapid America Corporation" who are the biggest sponsors of the tournament, have named it in honour of Carl Linder of Chachatti. Israel sponsors of the event are Gali Sports, Winstanley Tea, El Al, Boleton Perfumes and Clarins Cosmetics.

## Birthday present

By PAUL KOHN

Post Sports Reporter

TEL AVIV. — Zohar Galili acquired a very welcome 18th birthday present in the National Swimming Championships at the Wingate Institute in Netanya yesterday, when he notched a national record in the 100 metres backstroke, while swimming in the 4x100 metres medley relay event.

Galili timed 1:01.46 minutes to beat the mark of 1:01.55 minutes set up by Tal Maschikoff on Tuesday. In that race Galili was only a disappointing third. Despite Galili's record backstroke swim, his hoped quartet finished only second to the Czechoslovak squad, consisting of Yehor Shashar, Eyal Stigman, Nadav Shani and Rami Rieger, who set a new Israeli record of 3:58.20 minutes in the medley. The previous record was held by Maccabi Tel Aviv and stood at 4:00.06 minutes.

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# Today

## Back to school

### Reading right

Lea Levavi

DISABLED veteran of the Yom Kippur War has been able to provide Bar-Ilan University lecturer in special education with new insights into how to help people who suffer from dyslexia, the inability to read and write correctly despite normal — or above-normal — intelligence.

"He was able to articulate his feeling and experiences, which a child cannot do," explained Miriam Gillis, who teaches future special education teachers how to teach reading.

"For example, he told me that when he looks at a printed page, he is drawn to the white background rather than to the letters, and he can see pictures in the white spaces. This shows that one good way to work with dyslexics is to begin with one picture (or letter or word) on an otherwise blank page, forcing concentration on one focus."

This young man had been dyslexic since childhood. His war injury simply made the problem more serious as it forced him to change to an occupation which required reading and writing skills.

"He told me that when he was a child in school, he would cause trouble in class whenever a reading lesson was about to begin. He preferred to be sent out of class as a naughty boy rather than be found out as a child who cannot read."

"Similarly, he would force himself not to concentrate on what the teacher was saying; being scolded for daydreaming hurt less than being shown up in reading," said Gillis. She believes that it is essential for dyslexic children to remain in regular classes, both for social reasons and also because their educational opportunities will be improved by absorbing speech and language skills from their peers. This, of course, requires not only remedial reading services for such children, but also greater awareness of the problem among regular classroom teachers.

Asked if regular teachers are eager to get rid of the dyslexic child, Gillis said she prefers to think that teachers and principals are simply aware that work with such children is part of their jobs.

"The classroom teacher should also make a special effort to call on a dyslexic child in those lessons in which he can easily participate, such as when something is being learned orally and no reading is required."

she said. "That will force the child to concentrate on what is going on in class, and will also compensate him for those lessons with which he has a special problem."

Universities should set up programmes to help adult dyslexics who do not want to go to psychological clinics because of the stigma attached to them, according to Gillis.

"When I asked this young man how he got to me, he told me a lot of people referred him to psychological clinics but he had had enough of psychologists after his injury and wanted to prove that he was now okay. It was much more comfortable for him to tell people he was going to the university."

Another thing Gillis learned from her experience in teaching this man was that the lesson must be well organized to capitalize on the pupil's limited concentration span. "At the beginning, I used to let him begin the lesson by telling me his troubles. Finally, however, I realized that talking was easier for him than learning and was being used to shorten the lesson."

"I then decided to focus him in on the lesson immediately and to continue for as long as he could concentrate, which was 10 minutes at first and then grew to 15 or 20. Then, I allowed a break for conversation, limiting the time at first to 10 minutes, then to eight, then to five. After the break, we returned to where we had left off in the lesson."

It is important for dyslexic children to know that they are not the only ones with the problem. Says Gillis, "I tell children about Churchill's difficulties in learning to read as a boy, and that Einstein and Roosevelt were apparently also at least mildly dyslexic."

"About 15 per cent of the population is dyslexic to some extent, though many people can learn to get by as increased vocabulary and broadened general knowledge enable them to understand written material more from context than from recognizing every letter."

Gillis assures the dyslexic children with whom she works that they do know how to read: "I tell them the only reading which has to be perfectly accurate is word problems in arithmetic, and the Bible. I start with word problems in arithmetic, which are shorter and use certain standard words over and over again, and after they master that I move on to the Bible."

## Becoming a Real Person

Mum's the word/Judy Labensohn

LIKE Pinocchio, Yael is having trouble growing up.

"I dought wanna go to school," she protests as she tries on her brother's schoolbag. It comes to behind her knees when empty and with a book or two will probably impede all natural movement.

"I doughtneed arithmetic," she continues, plunging into the sofa, "I just wanna have fun."

There are nine days left for me to prevent the outbreak of a full-fledged school phobia. I wonder which argument to draw from my arsenal.

"But all your friends are going to *kita aleph* this year," I choose as a starter.

"I won't grow up. I won't grow up," she sings.

"Don't you want to be able to read the Hebrew subtitles on 'Little House on the Prairie'?"

"Fooyah," she retorts. "What about counting pieces of bubble gum in the plastic containers at the Hypershuk?"

"Go on," she says, hesitantly. "And all those stars in the summer sky reflecting the number of Jews on the earth. Doesn't that interest you?"

"No. Now what about the bubble gum? If I learn to count past 129, will you buy me bubble gum?"

The coffee table over which we are talking has become a negotiating table. But I will not be made mineer of by a precocious five year old who just makes the cut-off date for starting school.

"Listen, sweetie. Lots of people — mainly men — who cared about the future of Israel, passed a law in 1949 that says you have to go to school. If not, the municipality, providing they have the budget, will send a truant officer to find you and drag you by your ears to *kita aleph*."

When reason doesn't work, force always does the job. No sooner have I described this violent scene with Yael playing leading lady, than my little marionette is standing up straight as an arrow, begging me to buy her a Strawberry Shortcake pencil case.

We scout out to the corner store. Having already sent one child off to school, I know that the key to success in *kita aleph* is not the teacher or the classmates or the decorations on the walls. Rather, it is the design on the pencil, the smell of the eraser and the gadgetiness of the pencil case. The accoutrements of learning can make or break a successful absorption in elementary school.

Like all lessons, I learned this one by my own mistake. I skimped with my first child — buying the standard yellow pencil with red eraser and the

cheapest pencil case I could find. Naturally, he never wanted to get out of bed in the morning.

Wiser today, I take all my National Insurance Allowance with me to outfit my daughter for school. The selection is as wide as the pocketbook is shallow. After lengthy deliberations, we finally settle for a Bobbie and Kate pencil in a soft fuchsia, a pink eraser in the shape of a toilet bowl and an ice-cream cone pencil sharpener with plastic chocolate sprinkles. All these fit nicely into a cool, refreshing slice-of-lemon pencil case, which is attached to a Superwoman *yalkar* equipped with wings and cowbells in case of kidnapping.

On the way home from the store, my daughter is elated with her new paraphernalia.

"Oh, I can't wait till September first," she jubiliates. "Do you think you'll be able to afford the felt pens that smell like bananas after the Succot holiday?"

Holding hands as we walk down the same street where I carried her as a fetus, held her in a Snuggly and strolled her as a toddler, I realize that behind every school phobia is an ambivalent mother, unsure if she truly wants her little caterpillar to become a butterfly.

"Maybe we'll wait till next September to send you to school, my little honeysuckle," I mutter.

Yael is in shock. "Just think what's going to happen to all your beauty, zest and creativity," I explain. "It'll die a slow, painful death in that awful building where you'll need ear plugs for self-defence."

"Oh, don't worry, Ima," my growing girl assures me. Slipping on her schoolbag as naturally as she will one day slip on a bra, she adds, "What harm can school do if it only lasts 3½ hours a day?"

The end of "the big vacation" will pass rather calmly. We will empty out the sand from the beach shoes and lock up the canteens till next summer. We'll clean the tar from the bathmat and put the beach towels on the top shelf of the closet, together with the hat from day camp. What was the name of that counsellor with the long black hair? Where is the clay ashtray I made you? Did I really jump into the deep water?

The summer will fade into memory. On September 1, Yael will kiss me and her Oedipal phase goodbye and say hello to teacher and Latency. Like Pinocchio, she will be on the path to becoming a Real Person, and as I stand in the doorway, wiping the peanut butter off my hands to pat her head, she will not even notice the lump in my throat.

IF DRASTIC steps are not taken today to train elementary school children in technological studies, the technological revolution will pass Israel by and Israel may become a backward nation.

Variations on this theme are heard more and more frequently these days. With the beginning of the school year in sight, we approached one of the country's leading experts in education, Yisrael Goralnik, general manager of the ORT education network in Israel.

Most of the gloomy pictures of our technological future are based on a study by David Brudet who claims that by 1992 Israel will be short 8,000 technicians and practical engineers and 5,000 engineers. In addition, there will be a shortage of 5,000 engineers and technicians in the field of computers and communications.

Goralnik, however, believes that we can step up the technological educational process so that we will have enough engineers and technicians in 1992.

Women are Israel's greatest untapped labour reservoir, says Goralnik.

ORT has been directing a powerful message at women: "Don't let your parents brainwash you into thinking that only boys can grow up to be engineers."

Dvora Aaron, director of public relations for ORT, has been active in this campaign. "All the research on

## Start them young

Technological training can — and should — begin in elementary school, writes Yitzhak Oked.



## Children of the book



Louis Rapoport

marked by mature and sophisticated writing, more professional illustrations and more emphasis on universal themes.

Up-to-date printing methods only come to Israel about seven years ago. "Until then, the 'People of the

Book' didn't care very much about how the book looked," he says.

But the big publishers — Keter, Mizrahi, Massada, Zmora-Bitan, Am Oved — still do not turn out many first-rate printings. Small new publishing firms — such as Shiva in Tel Aviv, Adam and Domino Press in Jerusalem — are the leaders in emphasizing high quality colour separations, chrome paper and thicker cov-

ers. In general, the small new companies are also the most innovative.

In local terms, a best-seller means 15,000 copies. *Except Me*, an Israeli original published by Shiva, has hit 20,000, which, in American terms, would be equivalent to about 1.5 million books.

Translations generally do far better than Hebrew originals. Zmora-Bitan, for example, has sold 600,000 copies of 15 titles in the European series *Barba Papa*, and 350,000 copies of 36 titles in the British series *Mr. Man*.

It is difficult to gauge the size of the local market because many of the publishers and booksellers are reluctant to give ammunition to the tax authorities. An educated guess, however, is that Israelis buy \$30 million worth of children's books annually.

A growing number of Israeli books are winning international recognition and awards from such organizations as the New York-based IBBY, the International Board for Young People division of the Children's Book Council, Nahum Guttman's *Orange Peel Patch*, published by Yavne in Israel and Dodd, Mead in the U.S., has won a certificate of honour for its international merit.

Nurit Zarchy's retrospective books have also won international acclaim. According to Uriel Ofek, Zarchy's work is evidence that Israeli children's literature is outgrowing the narrow patriotic confines and is finally "on the way to becoming universal, humanistic, mature."

There's been no concerted effort by the industry as a whole to push Israeli books abroad, and the Israeli Publisher's Association, and the Israel Export Institute for Books have been criticized for not undertaking initiatives such as a national stand at Bologna. But publishers are unanimous in praising the efforts of Lorna Soiffer, who runs the association's international promotion department.

With the growing need to bring in more foreign currency earnings, local publishers are likely to do more to promote Israeli products abroad, and many of the publishers were set to go to Bologna this year for the international children's book fair. Only one publisher had plans for a stand — Massada, the company that has sold more Israeli books abroad than any other.

Asked to give some tips to parents about buying supplies for their children, he recommends sticking to the list given out by the school. Parents tend to buy their children expensive equipment before they know how to use it, he says. "I can still remember what my teacher told my parents when we started using a compass. 'First buy your child an ordinary compass. When he knows how to use it, buy him a more expensive one.'"

It is unlikely that Israel will start manufacturing these supplies in the near future. "We are too small a country. Even Japan does not produce all its stationery supplies," he said.

Yet some supplies could be manufactured here both for local and export markets. Attar pointed out that Israel is the largest consumer of these supplies in the Middle East.

Yisrael Oren, general manager of the Kravits chain, told *The Jerusalem Post* that he believes that the taxes on these supplies should be abolished completely. He added that his chain of stationery and art supplies stores is one of the few in Israel that reduces its prices or gives away presents in special back-to-school sales.

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This plant would compete with the existing company and would thus bring about a lowering of prices, he said. He also has promises from the Spanish partners in the venture that they will buy for export at least 50 per cent of the new plant production.

Attar offered figures for taxes on some supplies. Lead for pencils about 20 per cent; erasers, 35 per cent; ballpoint pens and their refills, between 50 to 60 per cent; rulers, 35 per cent; staplers, 130 per cent; automatic pencil sharpeners, 120 per cent.

## The cost of putting pen to paper

Yitzhak Oked

"There the profit margin can be over 100 per cent, so even if they lower the price by 50 per cent or more some profit is still left. But in Israel, with a profit margin of about 30 per cent, they do not have much leeway."

Attar believes that the high cost of money today is the main reason that supplies are so expensive. "I estimate that the high interest rates contribute to about 50 per cent of the total price of the product."

"The situation is so bad that I have proposed to my customers (the store owners) that they pay me in cash and receive a big discount. For example, a product that we sell to them for \$2.70 on 45 days' credit we would sell to them for \$1.80 in cash."

"If they paid cash they could receive the goods at a lower price and offer them to their clients at a lower price. But the store owners prefer to pay the higher price and receive credit. Even chain stores prefer to buy on credit, despite the fact that most of their customers pay cash."

Attar admitted that he is flirting with the idea of forming his own chain of retail stores that would sell supplies at a lower price. But this might anger many of his customers who would see him as a direct competitor.

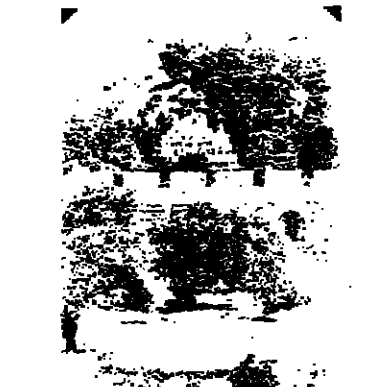
There are other reasons for the high prices, Attar added. These include the various taxes levied on the supplies. For example, since there is a local pencil company, protective regulations forbid the import of pencils that cost less than \$11 per 144. Yet he has sources that could supply that number of high quality pencils

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# Money Matters

## Turnover up but market still lifeless

TEL AVIV. — Trading on the share market turned quiet again yesterday, although volume rose somewhat, compared to Tuesday's levels. The state of affairs is over, at least for the moment, and the fact that issues rose and fell did not alter the overall standstill. A glance at the table of the main indices shows that there was almost no change in the price level.

The bond market was suffering from the same malaise. Here too, the rise in the turnover from Tuesday's rock-bottom point of IS223 million, to a more respectable IS714m., did not presage any significant price movements. Individual series moved in both directions, with the gainers sufficiently in the majority to move the index ahead by 14 per cent.

The only point of interest about the market in the last two days is the negative one that it has paid not the slightest attention to the reports of "major economic measures," supposedly to be implemented in the very near future, and including new taxes, budget cuts and possibly even a general price freeze.

Obviously, different measures would have varying effects on both bonds and stocks, not necessarily in the same direction. However, as noted, the subject is being greeted with a large yawn, since no-one believes that the caretaker government is capable of taking a major initiative.

Announcements:

The Israel Building Bank, a subsidiary of the Development Com-

### Tel Aviv Stock Exchange

By PINHAS LANDAU

pany of the Contractors Organization, announced an adjusted loss of IS21.4m. for the first six months of 1984. This compares to an equivalent figure of IS22m. for the whole of 1983.

Team Computers and Systems reported an adjusted net profit of IS11.5m. for the year ending March 31, 1984, down from an equivalent \$60m. in the 1982/3 year.

In the notes from the management, the company claims that if the exchange rate differentials on the leasing transactions that it is involved in were allowed to be capitalized, in the spirit of a new advisory opinion being considered by the Institute of Accountants, then its real profits would increase to over IS80m.

Yahalom Hotels notified the securities authorities that its 25 per cent owned subsidiary, Yaeh Investments has signed an agreement with Afar Vesela to complete the 100 cottages of the Nofim project that Yaeh purchased.

This purchase follows the decision of the district court of August 13, which gave the go-ahead for the transfer of the rights on the project to Yaeh.

### ORGAD PLAN

(Continued from Page One)

government operations to the cabinet. He will start implementing the second part of the plan later, particularly those parts which do not require Knesset approval. This includes a large increase in controlled prices, which could go up some 30 per cent or more.

Cohen-Orad is also planning to resort to emergency regulations to introduce part of his package if it becomes clear that this is the only way he could prevent the Knesset majority from blocking his initiatives. But Treasury officials said the use of such regulations is limited and it is doubtful whether the minister will base his plans on them.

Among other steps, the ministry is proposing the following:

**Taxes:** The ministry proposes to introduce a 2 to 4 per cent property tax on the value of houses and cars. The tax would be imposed only on flats with a price above \$70,000 or \$80,000.

In addition, the ministry proposes to increase VAT by some 3 to 5 per cent.

In a possible accord with the Histadrut, the Treasury plans to propose a drop in income-tax rates if the labour federation agrees to less than full compensation for large price increases. According to plans drafted at the State Revenue Administration the ministry could reduce tax rates by some 8 to 10 per cent if the Histadrut accepts a 5 per cent reduction in the cost-of-living allowance paid to workers.

**Subsidies:** The Treasury plans to slash subsidies for fuel, gas and electricity, not planned for in the original budget. In addition, it plans to reduce subsidies for basic commodities to some 25 to 50 per cent of the price to the consumer. The subsidy rate now is some 100 per cent or more.

According to ministry plans, the likes in controlled prices could be followed by renewed efforts to reach a package deal with the Histadrut to freeze prices and wages.

**Education:** The Treasury will try again to abolish free high-school education and to double tuition fees at universities.

**Welfare:** A further cut in community and welfare services is being planned, along with higher fees for

the National Insurance Institute. Some 1,500 children will have to leave boarding schools, while several welfare units will be abolished, including the volunteer service at the Labour Ministry.

**Settlements:** Settlement activities would be cut by some 30 per cent. Staunch opposition to this step is expected from Tehiya.

**Investment projects,** such as the Mediterranean-Dead Sea canal, or credit for construction will be slashed.

**Education Minister Zevulun Hammer** said last night that he strongly opposes the Finance Ministry's proposal to eliminate free high-school education, the Education Ministry spokesman said.

**Lea Levavi adds:**

The Tel Aviv University Student Association threatened yesterday that the students will not allow the new academic year to begin if the Finance Ministry carries out its plan to double tuition. Shaul Rahavi, chairman of the association, said the plan would be in violation of the agreements between the government and the students and would make the university accessible only to the rich.

The National Parents Association sent a telegram last night to Hammer reminding him of his promise not to repeal the free high-school education law. The parents group said that savings for high-school education had been stopped since tuition fees were eliminated, and many parents would not be able to pay for sending their children to high school.

**BIRTHDAY.** — China's senior leader, Deng Xiaoping, turned 80 yesterday without official celebrations, but one journal showed a Mao-like picture of him swimming and a newspaper carried a long article by his daughter about his ordeal during the cultural revolution.

### LONDON BANK RATES

August 22, 1984

	prev.	close
Bank base rate	10 1/2	10 1/2
Call money	12	12
31 day treasury	10 1/4	10 1/4
3-months interbank	10 1/4	10 1/4
Lloyds Bank		

### MARKET STATISTICS

#### Indices

General Share Index	295.33	-0.01%
Non-bank Index	222.19	+0.03%
Arrangement	346.57	+0.05%
Bank Index Industrial	238.97	+0.37%
Bond Index	270.42	-0.24%

#### Turnovers

Shares	IS564.0m.
Bonds	IS714.1m.
Totals	IS1278.7m.
Advances	171
Declines	153
of which 5% +	38
"Buyers only"	6
"Sellers only"	7

#### Bond market trends

4% fully-linked:	Rise to 3%
3% fully-linked:	Rise to 2 1/2%
80% linked:	Mixed to 1 1/2%
90% linked:	Rises to 2%
Double-option:	Mixed
Dollar-linked:	Mixed to 3%

#### Most Active Shares

Leumi	IS145.5m.n.c.
Hapoalim	IS103.8m.n.c.
IDB	IS99.3m.n.c.

#### Sharpest Moves

Lendeco	145	+30	+26.1%
Pollak op.	62	-18	-22.5%
Atlaton op.	33	-9	-21.4%

### ABUHATZEIRA

(Continued from Page One)

ment. Another senior party source reported he had been "shocked" to learn of it. Abuhatzeira, who returned from Paris yesterday evening, said he expects to meet with Yahal leader Ezer Weizman before the secretariat's meeting to learn what had happened.

The question facing Tami is whether to support a minority government or face early elections, if a national unity government proves elusive.

Some Tami leaders believe that joining a coalition that relies on DFPE and PLP votes would require what one termed "a good deal of courage," but that an effort should be made to "pull the cart out of the mud." Abuhatzeira last night made it clear this would be just as bad as supporting a Likud-led coalition requiring the support of Kach MK Meir Kahane. This, however, does not mean he rules it out.

The alternative of early elections is certainly deterring. In the July 23 elections Tami won only one mandate, compared with the three it had in the previous Knesset. Thus, in new elections it would be in danger of losing out altogether, especially if its supporters think it would fail to pass the one per cent threshold and therefore vote for parties they are sure would pass it.

Deputy Labour and Social Affairs Minister Ben-Zion Rubin told *The Post* he nevertheless prefers new elections to a minority government. He explained he believes such a government would not last long, so the Knesset would be merely replacing a Likud-led caretaker government with an Alignment-led one.

### BIG

(Continued from Page One)

and private incomes will rise only in relation to productivity.

The government would encourage savings and will try to reach an understanding with the Histadrut on wages and prices.

Ya'acobi said after the meeting that the economic talks reached a conclusion with the blessing of the Alignment's leaders. He expressed his hope that a national unity government will be formed.

Both sides agreed to meet again next week to discuss ways to implement the common programme, although Alignment members said that this does not mean that operative details will be agreed upon, only general lines of action.

No agreement was reached on the Likud's demand to sell government corporations, and on the Alignment's demand that the government should continue to control national land as government property.

### Commercial Banks

(not part of "arrangement")

OHH r	2800	-	-	-
Mannheim r	1360	290	n.c.	-
Mortgage r	380	30	n.c.	-
N. American r	1798	32	-27	-1.5
N. American r	1346	54	-24	-2.5
N. Amer. op	2455	42	-63	-2.5
Danot r	260	10	-25	-8.5
Danot r	69	606	-6	-8.6
Danot r	200	-	+3	+1.1
First Int'l r	347	906	-11	-2.6
FTB r	315	949	-5	-1.4

### Commercial Banks

(part of "arrangement")

IDB r	10960	906	n.c.	-
IDB r	11500	1	n.c.	-
IDB r	70500	35	+40	+7
Discount B r	14500	1	n.c.	-
Discount A r	14180	33	n.c.	-
Discount B r	1710	40	+20	+1.2
Mizrahi r	4560	373	n.c.	-
Mizrahi r	4560	2	n.c.	-
Mizrahi c n	2080	50	n.c.	-

### Real Estate, Building

Gindl r	685	22	+43	+6.7
Gindl r	418	2	n.c.	-
Gindl r	51	543	+1	+6
Oren r	67	1820	n.c.	-
Azovim Prop.	304	235	-21	-6.5
Azovim op	229	170	-19	-7.7
Eilon r	62	97	-6	-9.5
Eilon r	52	148	+1	+2.0
El-Rov r	136	30	-10	-6.0
El-Rov r	111	100	n.c.	-
Amnion r	143	67	-16	-10.1
Amnion r	1766	-	-	-
Africa Int. r	1700	-	-	-
Arazim	190	94	+2	+1.1
Arazim op	100	129	+6	+6.4
Aradon r	849	26	+1	+1.1
Aradon r	130	13	-10	-7.9
Ben Yakar r	347	112	-26	-7.0
Ben Yakar op	560	50	+74	+15.2
Baranowitz r	201	382	+18	+10.0
Baranowitz r	104	147	+3	+3.0
Baranowitz op	69	110	+2	+3.8
Dankner	258	71	+3	+1.2
Drucker r	290	63	+10	+3.6
Drucker r	128	155	-10	-7.6
Drucker op	109	100	n.c.	-

### Mortgage Banks

Adanin r	1085	7	-6	-6
Adanin r	1278	21	-1	-1
Gen. Mortgage	1280	-	-	-
Gen. Mortgage	895	20	n.c.	-
Carmel r	620	2	-2	-5
Carmel r	820	8	-28	-3.3
Dev. Mortgage	424	15	+6	+1.4
Dev. Mortgage	1303	-	-	-
Independence	650	27	-20	-4.4
Independence	100	10	-19	-1.9
Tefahot r	915	12	n.c.	-
Tefahot r	943	41	n.c.	-
Tefahot deb. 1	552	85	+7	+1.3
Jaysour r	159	208	-12	-7.5
Jaysour r	1457	12	+3.3	+3.3
Jaysour op	75	249	-6	-7.4
Mervar r	419	109	+29	+7.4

### Financial Institutions

Shilton r	84	991	+4	+5.0
Shilton op	1095	-	-	-
Agri. Bank r	1450	2	n.c.	-
Agri. Bank op	26020	-	-	-
Leumi Ind r	1120	10	-1	-1
Leumi Ind r	1123	-	-	-
Leumi Ind r	18256	-	+251	+14.3
Leumi Ind r	6900	-	+2900	+4.4
Leumi Ind r	41601	-	-	-
Leumi Ind r	42200	-	-	-
Leumi Ind r	37100	-	-	-
Leumi Ind r	12555	-	-	-
Leumi Ind r	30951	-	+951	+3.2
Leumi Ind r	301	14	n.c.	-
Leumi Ind r	184	-	-6	-3.2
Leumi Ind r	2050	20	n.c.	-

### Insurance

Aryeh r	405	45	-45	-10.0
Aryeh op	271	24	-30	-10.0
Aryeh sub deb	5420	2	n.c.	-
Ararat 0.1 r	352	b.o.1	+17	+5.1
Ararat 0.3 r	147	11	-6	-3.9
Reinsur 0.1 r	649	-	-	-
Reinsur 0.5 r	166	25	n.c.	-
Reinsur 0.5 r	1900	29	n.c.	-
Reinsur 0.5 r	222	-	-	-
Reinsur 0.5 r	1440	-	-	-
Reinsur 0.5 r	1045	305	-100	-8.7
Reinsur 0.5 r	1542	-	-	-
Reinsur 0.5 r	295	b.o.1	+14	+5.0
Reinsur 0.5 r	120	111	+4	+3.5
Reinsur 0.5 r	91	30	-9	-9.0
Reinsur 0.5 r	2831	5	n.c.	-
Reinsur 0.5 r	629	80	n.c.	-
Reinsur 0.5 r	659	33	+60	+10.0
Reinsur 0.5 r	500	173	n.c.	-
Reinsur 0.5 r	466	-	-	-
Reinsur 0.5 r	450	102	+37	+9.0
Reinsur 0.5 r	220	306	+2	+9

### Trade & Services

Inter-Gamma r	380	88	+5	+1.3
Inter-Gamma r	137	121	n.c.	-
Inter-Gamma r	54	13	+6	+12.5
Inter-Gamma r	630	5	n.c.	-
Inter-Gamma r	369	-	-	-
Inter-Gamma r	160	47	+11	+7.7
Inter-Gamma r	133	-	-	-
Inter-Gamma r	24	2067	+4	+20.1
Inter-Gamma r	300	46	-16	-5.1

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Inter-Gamma r	380	88	+5	+1.3
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Inter-Gamma r	54	13	+6	+12.5
Inter-Gamma r	630	5	n.c.	-
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### Trade & Services



# THE JERUSALEM POST

An Rath  
Editor and  
Managing Director

Erwin Frenkel  
Editor

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## Panic or piracy?

FINANCE MINISTER Yigal Cohen-Orgad apparently finds it impossible to cast off the role he has assumed recently, of pretending that the caretaker government in which he serves not only can and must govern as if it rested on the confidence of a Knesset majority, but that it can and must act in the expectation that it will duly constitute itself as such a government.

That attitude, with the high-handed manner in which the finance minister attempted only days ago to coerce the Histadrut into discussing - in fact, accepting his dictate - a so-called package deal was barely understandable before Tuesday. The political upheaval brought about by the decision of Ezer Weizman and Yigael Hurvitz to support Shimon Peres in forming a government, broad if the Likud stops stalling and narrow-based if not, makes it grotesque that the finance minister should now wish to ram through the outgoing cabinet a set of economic policy measures that would be very far-reaching even for a government able to rely on firm parliamentary support.

It is difficult to believe that Mr. Cohen-Orgad is totally oblivious to the fact that something has happened on the political scene in the last two days which pulls the rug from under any expectation that the next, duly constituted, government will *ex post facto* ratify the economic measures that he wants to push through under the Mandatory emergency regulations. He must be aware that nearly all the measures he proposes to put into effect will take time to implement, and some of those that might come into force immediately - such as a rise of added value tax - can be reversed.

There are only two explanations for Mr. Cohen-Orgad's last-minute hyperactivity. Either he is in a genuine panic about the state of the economy, or he believes the Alignment would underwrite his measures.

Crisis narrows the range of possible policy choices, and it is possible that the finance minister knows that once he has to open the books for a successor government, that government will discover that it has no option but to adopt much the same policies that Mr. Cohen-Orgad now wants to push through. Regardless of the specific measures in Mr. Cohen-Orgad's policy basket, they mean a deep recession with mass unemployment and a sharp cut in real wages. The finance minister may have assumed that a different government might deviate from that course in details, but that the state of the economy will force it to pursue its general direction. An added factor may be that the U.S. Administration, which reportedly has very definite views of its own on an economic stabilization programme for Israel, tends to think along similar lines.

If there is, in fact, a tacit agreement between the Likud and the Alignment that the economy must be sent into a sharp recession, that taxes must be raised, that subsidies must be slashed immediately, that the economy must, in short, be subjected immediately to a regime of austerity, then the public has the right to a joint policy statement from the two major parties.

Such a statement should put an end to all attempts to hide the truth from the public. It should tell the public, at long last, what the true state of the economy is, and what policy requirements follow therefrom. And since the Likud is responsible for the present state of the economy, it is duty bound to accept co-responsibility for all the policy measures needed to get us on an even keel again. That duty to accept responsibility is independent of whether the Likud joins with the Alignment in a national unity government or goes into opposition.

If, on the other hand, the Alignment has not given its tacit or explicit blessing to Mr. Cohen-Orgad's last-minute rush to cure the economy of the ills which he himself has in a large measure brought upon it, then it should stand up and say so loudly and clearly. A policy of hammering out what is supposed to be an agreed economic policy for a national unity government, while the prospective partner goes ahead with policies of its own that will tie the hands of the next government, cannot fail but to create the impression that the Alignment is either quietly backing what Mr. Cohen-Orgad wants to do, or that it is not serious about the agreed policy programme.

## Mad, madder, maddest

UNTIL yesterday the Likud and its ministers were "only" debasing the Knesset. But now, desperate over the possibility that they may be losing their grip on power, they are debasing the institution of the Cabinet as well, and with it the office of the Attorney-General.

On Sunday, the Attorney-General opined that it was improper for Dr. Yosef Burg, who is the oldest member of the Knesset, to serve as temporary Speaker of the House, as its rules provide, because he is a Cabinet minister. This would breach the principle of separation of powers.

The Attorney-General was asked for his opinion by Dr. Burg himself, by the Knesset Steering Committee, and by the High Court of Justice.

Dr. Burg, it was believed, accepted that ruling. So did the Likud. It would mean that the Alignment's Abba Eban, the next oldest Knesset member who is not a minister, would then be the temporary Speaker.

On Monday, the Likud's Transport Minister, Haim Corfu, who is its senior representative in the joint Labour-Likud Knesset steering committee, set up to help the two parties navigate a House missing its government rudder, also agreed to Mr. Eban.

But when it emerged that Mr. Eban was going to take his responsibility and the prestige of the Knesset seriously - that he was going to press for the election of a permanent Speaker before establishment of a coalition - the Likud got panicky. So panicky that it insisted that Health Minister Eliezer Shostak, who is older than Mr. Eban, take the gavel.

Since Shostak, like Dr. Burg, is a minister, the Likud's logic derives from some fantasy world of its own making.

What it means, as well, is that it views the Attorney-General as a "lowly clerk" whose views can be disregarded, as Likud MK Yitzhak Seyger has said. It also means that cabinet ministers should make fools of themselves and Cabinet government by ignoring the Attorney-General and the principle of separation of powers which he articulated.

To prevent further debasement of both the Cabinet and the Knesset, the Prime Minister, Mr. Shamir, should certainly now step in and call his feverish fellows to order.

Having lost Mr. Begin, the Likud has lost its head in more ways than one. It is inconceivable that Mr. Begin, who understood the meaning of the proprieties of government and parliament would have permitted such debasement of the nation's institutions.

KEEP ISRAEL  
BEAUTIFUL!

# The moment of truth

By PINHAS LANDAU

WHERE IS "the day after?" A month has passed since the elections, and the barometer is stuck on stormy. But apart from a few *ad hoc* moves to staunch foreign currency outflows and not to sign new spending contracts, the interim government has done nothing. The political impasse has held up any attempt to actually do anything about the problems of the economy, beyond talking about them.

Beneath the frozen surface, however, there are currents at work. The last few days have seen some of these come to the surface. On the one hand, there have been a spate of reports, no doubt deliberately inspired, of what the Treasury staffers are busy cooking up. On the other hand, there has been a sharp break in the political iceberg that - at the time of writing - seems to put the initiative back in the hands of the Alignment.

On the technical level, the details of the papers and plans being drafted in the Treasury need cause no surprise. The more sensationalist-oriented sections of the press may choose to give banner headlines to ideas of taxing property, cars and almost everything else, but there is no objective justification for such overkill.

The country is simply going back to where it left off last January and February. At that time, it will be recalled, there was much talk of the economy entering a recession, but nothing came of it. The then-government dipped its toes in the cold waters of reality and quickly drew back.

This, it should be stressed, was before Tami precipitated early elections in March. The change of heart was first noted as early as mid-December, when the government caved in to the threat of the Hebrew University closing its doors, and kept the money flowing to prevent such an eventuality.

It was, however, the massive sup-

port given by the Bank of Israel, at the government's behest, to the bank shares and the government bond market, in the stock exchange during December and January, that prevented any bankruptcies in the business sector and provided the economy with the liquidity to remain afloat. This policy also made certain that the inflation level would not fall from the 15 per cent per month level reached in the post-October period.

THE FINAL blow to the policy, or at least to the intentions, of Yigal Cohen-Orgad, came when the Histadrut realized that nothing had really changed in the economy and started fighting to halt the severe, almost vicious, fall in the real wage level - the only area in which the finance minister had begun to achieve his designs.

Since then, and with the active intervention of the elections as a factor in economic policy-making, the minor improvement in the trade deficit and the few, half-hearted steps in the direction of budget-cutting have been eradicated. Every measure of economic health is worse, on the whole significantly worse, than six months ago.

But worst of all is the rapid erosion of the (already low) foreign currency reserves. In this respect, Cohen-Orgad has proved himself Aridor's master, for Aridor never achieved the pace at which Cohen-Orgad is allowing the few dollars that are left to be thrown away.

Israel has now reached the point which the doomsayers had warned about for so long: we can no longer borrow more money abroad. We may even have difficulty in renewing our old loans.

This is the last chance we have to initiate a programme of self-help before the shortage of foreign currency brings normal economic activity to a halt. Sane people, aware of their situation, usually take such a last opportunity to save themselves, even if they have spurned all the

other chances.

The technique of what to do - the methodology of salvation - is brutally clear. The budget will be cut and cut hard. Taxes will be raised. Imports will be reduced and exports given the resources they need.

The details are no doubt hair-raising to all those who are used to getting what they want, because henceforth what they want and what they will get are two different things. A great wailing will go up from Metulla to Eilat, and maybe those who wail loudest will succeed in marginally lessening the blow on themselves.

But overall, it will be extremely unpleasant. Yigael Hurvitz's slogan of "I haven't got" is too mild for today's circumstances. When the local authorities and the universities and the hospitals and the social services and all the others hold out their hands, they will be told: "Tough luck!"

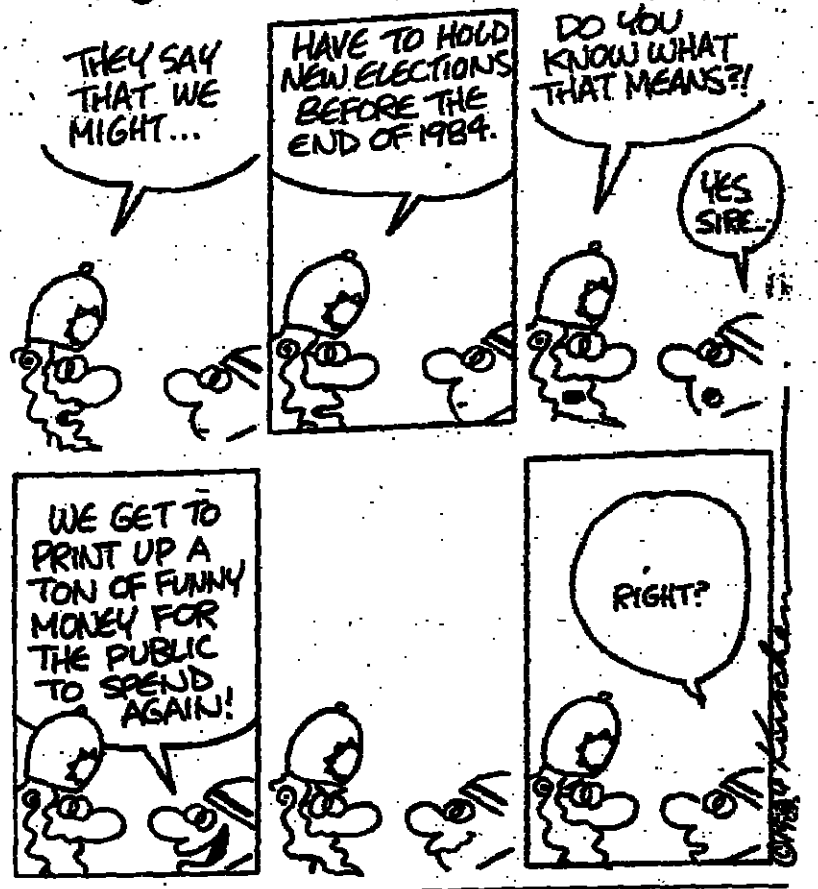
But relying on the technocrats to work out and implement a programme is not nearly enough. The fundamental problem in the country, not just in the economy, is the collapse of confidence. And until this is restored, nothing else will help. Here will be the first and greatest challenge for the next government.

THE DECISION by Weizman and Hurvitz - both men of the right - to join the Alignment is not a "traitorous" move, as it may appear on the surface. It is the first element of the internal "war of no choice" that has now begun.

If the Likud joins a broad coalition, it will be a war against the past, fought jointly by all the major parties. If not, the social and economic imperatives will continue to reshape the political map because they are stronger than any ideology.

The spark that seems to have set off the move is the revelation about the state of the foreign currency reserves and the callously stupid attempts by the lame-duck govern-

## Dry Bones



ment to cover up the true situation. This is a culmination of the Likud government's policy of not telling the people exactly how the facts lie, preferring to lead them up the garden path. As things have become worse, this policy has been refined into one of denouncing the media for reporting the bad news - whether about the economy or Lebanon.

However, "Tell it not in Gath, publish it not in the streets of Ashkelon," is a policy doomed to failure. Even if none in Kiryat Gat or Ashkelon or any of the other development towns were to see a newspaper or watch TV, they would eventually find out. Their municipality would begin to reduce its services, factories would close down, and they themselves would be sent to Lebanon and see things first-hand.

The Alignment is a party which inspires little or no confidence when it comes to credibility, and the recent election campaign only made its image worse. Lacking a serious candidate for the post of finance minister from its own ranks, it would do well to give the thankless job to Hurvitz, who says he wants it.

Hurvitz is no genius and has no

magic formula. But he can appear before the public as a credible figure in terms of the matter at hand. That, however, is still not enough.

If, as it claims, the Alignment has learnt from its spell in opposition, then the public can expect the next prime minister to start his term of office by appearing on television and reporting directly to the citizens.

He should summarize the gravity of the situation, explain what he and his cabinet intend to do about it - what will be done and in what order and how long it can be expected to take.

He should certainly stress that the period of sacrifice, however long it may be, is inevitable and above all, is a means towards a positive end, namely the restructuring of the economy along sound lines, to the common benefit.

If, on the other hand, he ignores the public, or commands, harangues or lectures, then he can forget it. He can cut and tax from now until doomsday, but without the confidence and partnership of the majority of the population, nothing will be achieved.

The writer is The Jerusalem Post's finance reporter.

## READERS' LETTERS

### ISRAEL'S EMBARRASSING OLYMPIC PERFORMANCE

To the Editor of The Jerusalem Post Sir, - I ascribed the embarrassing sad showing of the Israeli Olympic team to another failure of our society to achieve - even to strive for - excellence. Your editorial of August 15, laden with many of the usual excuses is a rationalization of our pitiful performances and exactly the wrong-headed approach which leads to defeat before the starter's gun goes off.

To begin with, sports realities here are in general contrast to the deprived state you portrayed. Our Olympic team facilities rank with the finest available. Millions have been invested in them. Most of our track athletes and swimmers have competed abroad, and done so often. Many of our leading track athletes and swimmers have and are doing the American college routine. The army is not a handicap for top athletes, they seldom leave the Kivra.

Much more crucial is your strange observation that "...they all tried to do their best," which alone justifies Israeli participation in the Games. My observation from the safety of TV in Tel Aviv, and from reports of newspapermen on the spot is that most of our representatives did far from their best, and possibly did not even try their hardest.

That's the core of the problem; our people don't expect medals, but just participation and Israeli records.

My conclusions are far different from yours:

We need better coaches, not more expensive facilities.

We need more, not better facilities, and these must be extended to broaden the base of our sports, to regional high schools and clubs throughout the country.

We have to cultivate a generation that understands, appreciates and participates in sports - all sports - and develop champions from its ranks. We must derive the quality from quantitative participation and training, and not from spoiling a few prima donnas.

We must deepen our training and programmes here, and go less rather than more abroad.

We have to be less tolerant of excuses by the sports establishment. Contrary to what you wrote, reports are coming in of other countries - with better results than ours - expressing shock and chagrin about their delegation's performances, and calling for heads to roll. From New Zealand to Cuba, with dozens of examples in between, small, poor, isolated countries raise and train outstanding athletes.

Our boys and girls are equal to any in the world. They can do better in international sport if there is a new, hopefully non-political, leadership in the sports establishment which is responsible, if they work much harder and are willing to accept discipline, and if we expect more not less, of them.

BURTON M. HALPERN  
Tel Aviv.

### ISRAEL'S ATHLETES

To the Editor of The Jerusalem Post Sir, - Many suggestions have been offered to improve the performance of Israeli athletes.

Permit me to make a suggestion. Just as there are *yeshivot* *hesder* to improve the mind, so there ought to be sports *hesder* to prepare young soldiers to engage in sports at Olympics and other international events. This will obviate the excuse that the poor performance of Israeli athletes is due to the loss of the time during which the soldier serves after his recruitment.

No one can guarantee that this programme will ensure gold medals, but it definitely will not break the hearts of those of us who see our

young men fail to place in any contest.

You have said correctly that coaching by an American expert is bound to improve the performance. There is no need to make use of the government's funds to pay the bill. Many here and abroad would gladly contribute to pay for the trip and many an American family would welcome a prospective winner of a gold medal in their homes. Regularly the Caesarea Golf Club sends a group of young golfers to play in international golf tournaments. They are always welcome guests wherever they go to play.

RABBI MORTON M. BERMAN  
Jerusalem.

### WOMEN'S SECOND-CLASS STATUS

To the Editor of The Jerusalem Post Sir, - I refer to Virginia Smitow's letter of August 10 concerning the second-class status of Israeli women. I am a single immigrant from Great Britain who has lived in this country for eight years and, like Mrs. Smitow, have come to the sad and inevitable conclusion that the lowly status of Israeli women in all realms of work, politics and family is that of a second-class citizen.

Unlike most American and British women, who would have found such a situation intolerable and who would have actively rebelled against such unjust and archaic oppression, most Israeli women seem to accept their plight quite passively and with-

out undue resistance. It is as if the fate allotted them is one for which they have inevitably been conditioned since birth - i.e., that of wife and mother and little else. They seem to have been brainwashed in the cult of this glorified myth that, without a husband and children, they are worthless and their life meaningless.

What shocks and saddens me most of all is that so many Israeli women seem to have such low, or very little, self-esteem. It is indeed a pity that women's liberation is progressing so slowly here, if at all.

LAURA DEUTSCH  
Bat Yam.

### WHY WORRY?

To the Editor of The Jerusalem Post Sir, - While in no way endorsing Rabbi Kahane, I wonder why we make such a fuss or feel guilty because he has reached the Knesset. I am far more worried that there is a movement that wants to disenfranchise his 22,000 electors.

The Mother of Parliaments has for many years had the much renowned Enoch Powell M.P., who advocates the expulsion from the U.K. of all British blacks and coloureds and predicts "we'll have blood in the streets."

So what? The trick is to use pariahs and crazies for laughs when they bark.

P. FRYDMAN  
Netanya.

### GOOD EXAMPLE

To the Editor of The Jerusalem Post Sir, - While in England on holiday last April, I purchased a bathing costume from Marks and Spencer which turned out to be slightly defective. I only discovered this after I had returned home to Israel. As a result, I wrote to them explaining the defect. After a short time, I received a pleasant letter and a refund on the bathing costume.

This is an excellent example both of good public relations and an attitude of trust towards the average customer so often lacking in Israel. May be we can learn something from the attitude of Marks and Spencer.

RUTH M. SCHIFFER  
Hadera.

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